THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (d) Information is being collected and will be laid on the Table of the House.

**Regulatory Framework for Foreign Direct Investment**

702. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering a proposal to harmonise tax system and regulatory framework for foreign direct investment in industrial and allied activities;

(b) if so, the steps taken in this direction during the last two years and proposed during the current year;

(c) details of steps proposed to ensure uniformity in incentives offered by the States and effect suitable changes in the systems and legal framework at State level keeping in view the international legal framework and systems of operation; and

(d) details of agenda for action in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAT: PAL MAHARAJ): (a) and (b) In recent years, a number of provisions have been enacted in Income-Tax Act, 1961, to. encourage foreign investment.

(c) and (d) Step being taken to ensure uniformity in incentives offered by the States and to effect suitable changes in the systems and legal framework at State level keeping in view the international legal framework & systems of operations, include persuading the State Governments to reformulate their respective policies in line with the Central Industrial Policy, mantaining close and continuous interaction with State Governments, encouraging procedural simplifications keeping in view common international practices, and appointing nodal officers for States.

**Agreement Reached Between Employees and Government on Fifth Pay Commission Recommendations**

703. SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether the proposed indefinite strike by Central Government employees from September 24, 1997 was called off consequent on an agreement reached between Government and its employees and ratified by Cabinet on September 14, 1997;

(b) the details of demands for increase in pay and allowances, and in pay fixation formula etc. over and above what was recommended by the 5th Pay Commission, conceded by Government during the negotiations preceding the settlement:

(c) the additional burden on exchequer that would entail of the said agreement, and the mode of payment; and

(d) additional benefits accrued to defence personnel as a result of the said agreement?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The notices for strike given by various employees' Unions/Associations were withdrawn consequent upon agreement between the Government and the Staff Side of the Joint Consultative Machinery (JCM) on the recommendations of the Fifth Pay Commission.

(b) and (c) The main demands of the Staff Side of the JCM related to improvements in certain scales of pay, rates of increments, formula for fixation of pay in revised scales, productivity linked bonus, etc. The Government made certain improvements in scales of pay for low-paid employees, pay fixation formula and rate of increment. This would lead to an additional expenditure of about Rs. 2200 crores per annum.

(d) The agreement referred to in the reply to (b) above does not cover defence personnel. However, serval improvements have been made in pay and allowances relating to the defence personnel.

**Institute for tranining Insurers**

704. DR. D. VENKATESHWAR RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Government plan to start an institute for training of insurers; and

(b) if so, the aims thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No. Sir.

(b) Does not arise.

**Duty Appraisal and Collection to Foreign Companies**

705. SHRI RAJNATH SINGH SURYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are planning to entrust the function of duty appraisal and collection to foreign companies; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Several complaints have been received from time to time about undervaluation and mis-classification of imported goods leading to loss of revenue as also undue delays in cargo clearance at the ports and airports. With a view to overcoming these problems, Government have been considering several measures. Recently, the Directorate of Valuation has been set up to disseminate information on international prices and also monitor valuation practices in the Customs formations. One of the Suggestions that came up for consideration in this regard was the use of preshipment inspection for ensuring correct classification and valuation of imported goods. It is in this context four preshipment companies made presentations on the role of pre-shipment inspection. No decision has been taken in the matter.

**Rate of Premium Charged by Insurance Companies for Fishing Boats/Vessels**

706. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) the rate of premium charged by insurance companies for fishing boats and fishing vessels owned by fishermen;

(b) whether the fishermen and their associations have represented to Government and the insurance companies regarding the prohibitive rate of premium and to reduce the premium rates to the level of motor vehicles; and

(c) if so, what action has been taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The premium rates for fishing vessels-boats upto Rs. 50 lakhs sum insured, as determined by the Tariff Advisory Committee (TAC), is 3% of the sum insured for mechanised wooden vessels and 3.5.% for non-mechanised wooden vessels. For vessels beyond Rs. 50 lakhs sum insured, rates are fixed by the TAC individually on merits. Till fixation of such rates provisional premia are charged by the companies subject to adjustments later. As regards the representations received from fishermen and their Associations the TAC have reported that information has been sought from the General Insurance Industry regarding claims experience in the matter.